RES ADJUDICATA

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INTRODUCTION.

If the judgments of courts had no substantial element of finality, such judgments and legal proceedings generally would be of very little value. Neither the parties to the suit nor others could rely upon a judicial determination as a guide in the further conduct of their affairs. They would be forever embarrassed by the possibility that the first judgment would be superseded by a different judgment. Moreover, if the party prevailing in a legal contest could be dragged through other contests by the losing party, upon the same question, the burdens of legal proceedings would be unbearable; and the ultimate decision, if this were so, would depend more on the relative powers of financial endurance of the parties than upon the relative merits of their cases. To produce certainty in the minds of litigants and others, with regard to matters which have been passed upon by the courts, and to keep down the burdens of litigation, and to reduce the opportunity of the richer litigant to exhaust his poorer opponent by protracting the litigation, the courts have restricted in many ways the right to present again for determination questions in regard to which a determination has once been made, or in regard to which an opportunity to secure a determination has been once accorded. All of the following branches of the law are based entirely or in part upon the necessity for regarding, to a greater or less extent, any question as finally settled that has once been judicially passed upon: The doctrine of the law of the case; the law of reconsideration and reopening, and of review by the same court or a

court of coordinate jurisdiction; that portion of the law of appeals which restricts the right to appeal; the rule of comity; the doctrine of *stare decisis;* and the doctrine of *res adjudicata.*

PRELIMINARY DEFINITION AND THE DISTINCTION BETWEEN RES ADJUDICATA AND RELATED SUBJECTS.

The doctrine of *res adjudicata* generally stated is that any matter which is disposed of by a final judgment on the merits is not ordinarily open to question in any further litigation between the same parties except as provided by the rules of appeal, reopening and review. The distinction between *res adjudicata* and the other branches of the law which limit further consideration after a first determination will be briefly indicated before passing to a more detailed consideration of the former subject.

The doctrine known as the "Law of the Case" has to do with the binding effect of preliminary and interlocutory rulings upon the court and parties in the further conduct of the same case. Certain preliminary rulings are binding upon parties and court at the final hearing. Some are binding upon the parties in the discretion of the court. And as to some, the parties have a right to further consideration. For example, a ruling by the Commissioner on motion for dissolution that certain matter was disclosed in a party's application when filed, would be binding upon the lower tribunals at final hearing if submitted upon the same facts. It would not be binding upon them if testimony was taken to vary the situation from that ruled upon by the Commissioner. A similar ruling by the law examiner would be binding or not upon the parties at final hearing before the Examiner of Interferences, in the absence of testimony upon the point, according to the discretion of the Examiner of Interferences. There is one very common situation where the Office has given itself and innocent parties much unnecessary trouble through its failure to apply thereto the doctrine of the law of the case. This is where one party, of later date, seeks to overturn at final hearing and on appeal thereafter, the finding of the

Primary Examiner in declaring the interference, or of the law Examiner on motion for dissolution, that the language of the issue is broad enough to cover the subject-matter which is unquestionably disclosed or proved by another party of earlier date. There seems to be no good reason why the Primary Examiner's ruling on this point, if not set aside before the case goes to proofs and final hearing, should not be regarded as binding upon all parties and tribunals in finally disposing of the interference. The recent case of Wentworth *vs.* Sutton, Steele & Steele, 204 O. G., 320, 41 App. D. C., 582, is an example of much controversy, and loss of generic protection by the party seeming to have the earlier date, all of which would have been avoided by an application of this rule in the first interference. The rule of the courts in applying the doctrine of the law of the case is a rule of reason. Preliminary and interlocutory decisions are regarded as binding where unnecessary reconsideration of the same question is thereby avoided, and where such a course is necessary to secure an orderly progress to a final decision. Preliminary and interlocutory determinations are not binding in the further conduct of the case where such a course will preclude a fair determination. For a full exposition of the subject of the law of the case reference is made to Black on the "Law of Judicial Precedents," Chapter VI. The distinction between the law of the case and *res adjudicata*, in short, is that the former has to do with the effect of preliminary and interlocutory determinations in the final disposition of the same case and the latter has to do with the effect of the final judgment upon other suits or actions.

The reopening of cases after judgment, in order to admit new evidence or for reargument, is necessary under certain circumstances in order to do justice and satisfy the dictates of common sense. But because of the general necessity of limiting the amount of litigation which can be carried on regarding the same matter, the right to thus reopen a case must ordinarily be sought within a certain time, usually in the term of court at which the judgment is rendered, and must be based upon a satisfactory showing that the failure to fully present the case in the first instance was not deliberate or due to negligence upon the part of the moving party. Statutes

in some States have extended or removed the time limit within which reopening must be sought. And judgments can ordinarily be set aside at any time for want of jurisdiction of subject-matter or parties, or for fraud. The distinction between reopening and *res adjudicata* is that reopening is sought and carried on by further actions in the same proceeding, or by a separate proceeding which is particularly directed to the setting aside of the former judgment, as in the case of a bill of review; while *res adjudicata* applies to bar further consideration of the same questions in separate proceedings which are not specifically directed to the vacating of the prior judgment in the other case. Let no one lightly assume that he may raise in an independent proceeding questions which were passed upon in another proceeding, merely because he has at his disposal good grounds for the reopening of the other proceeding. With certain exceptions in cases of judgments void for want of jurisdiction, or for fraud, the courts insist that an attack on a prior judgment must be made directly in a proceeding recognized for that purpose and not collaterally in an independent proceeding. The interference of Nelson *vs.* Felsing & Felsing *vs.* Nelson, 142 O. G., 289, 32 App. D. C., 420, furnishes an example of the application of this rule. The subjects of reopening, review, and collateral impeachment are treated in 23 Cyc., pages 889 to 1106, inclusive.

Because consideration on appeal presents another exception to the rule of *res adjudicata*, certain restrictions are likewise imposed thereon. The appeal must be promptly initiated; no new evidence can be presented, and parties are sometimes held even in argument to contentions advanced below.

As to the rule of comity it is sufficient to say here that any tribunal will incline toward a prior finding or ruling upon the same point by some other tribunal, other things being equal. The rule of comity has to do with cases where one or both of the parties to one suit are not the same as in the other suit and to cases between the same parties where the courts are of different countries. It is not a binding enforceable rule and is different from the rule of *res adjudicata* in all of these respects.

The doctrine of *stare decisis*, strictly applied, would re-

quire that any judicial ruling upon a point of law be accepted as binding ever after upon all parties and all judges in all cases in the same court and other courts of coordinate jurisdiction in the same state or country. But judges are not now usually considered to be bound by precedents which they regard as clearly wrong unless such precedents are very strong or numerous, or are by an appellate court to which their own decisions are appealable. It is sometimes stated that precedents are to be accepted in other cases only in so far as they are helpful guides to a correct conclusion. *Stare decisis* has principally to do with the interpretation of statutes and the laying down of large legal principles. It has nothing to do with mere findings of fact. Comity and *res adjudicata* but not *stare decisis* are applied between the courts of the different Federal circuits. A District Court is not bound by the rulings of the Circuit Court of Appeals of another circuit in other cases not between the same parties, but must follow those of the Circuit Court of Appeals of its own circuit. A patent may be valid in one circuit and not in another, and the same thing may infringe in one circuit and not in another, as against different defendants, though not as against the same defendant. As a result of the applicability of the rule of *res adjudicata*, and not that of *stare decisis*, between different circuits, it would seem that one person may, under certain circumstances, have a right to use a patented article in a certain circuit in defiance of the patentee, when every one else would be bound, or he might be bound by the patent though every one else was free therefrom. See Rubber Co. *vs.* Milwaukee Co., 154 Fed., 358 (C. C. A., 7).

SPECIFIC CONSIDERATION OF RES ADJUDICATA.

The related subjects having been briefly explained, a more detailed discussion of the doctrine of *res adjudicata* is in order. A leading English case, known as the case of the Duchess of Kingston (2 Smith's Leading Cases, 826, et seq.), held:

> That the judgment of a court of concurrent jurisdiction directly upon the point is, as a plea,

a bar, or as evidence, conclusive between the same parties upon the same matter directly in question in another court.

From Cromwell *vs.* County of Sac, 94 U. S., 351.

Justice Campbell said:

Experience has disclosed that for the security of rights, and the preservation of the repose of society, a limit must be imposed upon the faculties for litigation. For this purpose the presumption has been adopted that the thing adjudged by a court of competent jurisdiction, under definite conditions, shall be received in evidence as irrefragable truth.

Washington, Alexandria & Georgetown S. P. Co. *vs.* Sickels, 24 Howard, 333.

Justice Harlan said:

The peace and order of society demand that matters distinctly put in issue and determined by a court of competent jurisdiction as to subject-matter and parties, shall not be retried between the same parties in any subsequent suit in any court.

Johnson Co. *vs.* Wharton, 152 U. S., 252.

Justice Brewer has said:

Private right and public welfare unite in demanding that a question once adjudicated by a court of competent jurisdiction shall, except in direct proceedings to review, be considered as finally settled and conclusive upon the parties.

Fayerweather *vs.* Ritch, 195 U. S., 277.

Bigelow in his work on estoppel divides estoppels into three classes: (1) Estoppel by record of court; (2) estoppel by deed; and (3) estoppel by matter *in pais*, or the ordinary estoppel of a party by his own misleading act or failure to act. And he divides estoppel by record of

court into two kinds; one, the estoppel to deny the truth and genuineness of a court record, and the other, the estoppel to further litigate in an independent proceeding any matter finally passed upon by a court in a proceeding involving the same parties, which is the estoppel or bar of *res adjudicata*. And this process of subdivision may well be carried one step further, while we are thus subdividing, by noting that estoppels to deny the merit of prior judgments are of two kinds: first, the estoppel to further contest a setttled cause of action, and second, the estoppel to contradict a determined fact.

Black, in his work on judgments and in his article upon judgments in the Cyclopedia of Law and Procedure, separates the subject of *res adjudicata* into "Bar by Former Recovery," and "Conclusiveness of Judgment." The "Bar by Former Recovery," according to this author, deals with those cases where the prior judgment is offered as in itself disposing of the whole demand; "Conclusiveness of Judgment" deals with those cases in which the prior judgment is offered as settling some point involved in the later case. Both classes of cases are treated in this paper, but it seems to me inexpedient to make the whole presentation of the subject arrange itself upon this line and I have not done so. Nor do the expressions "Bar by Former Recovery" and "Conclusiveness of Judgment" seem to me to clearly indicate the distinction which does in fact exist, and these expressions will not be used herein to mark the same.

An application of the estoppel or bar of *res adjudicata* requires: (1) that there shall have been a final judgment; (2) that the prior judgment shall have been rendered either actually or constructively upon the merits of the case; (3) that the parties in the two proceedings shall be the same or privies of the same parties, and (4) that the same specific question must have been considered and decided as a basis for the former judgment, or (5) that the prior judgment must have disposed of the same demand or cause of action, or (6) of some non-severable portion thereof. But when there has been a judgment which satisfies these conditions, any finding made in support of that judgment is ordinarily conclusive in any other cases between the parties; and further litigation between them upon the same demand and cause of action is

also ordinarily barred; except as the same case may be reopened, or considered upon a bill of review or upon appeal. It is ordinarily immaterial that the first judgment is wrong and not in accord with the true law or real fact and causes hardship. In Werlein *vs.* New Orleans, 177 U. S., 390, it was found that certain city property was not subject to alienation in satisfaction of judgments against the city, but the court nevertheless confirmed the title of a private litigant to this property because a prior suit by the city to prevent the sale thereof had been decided against the city and that decision had become final. In that case, the fault was with the city in that it failed to advance the proper ground in its first suit, but a prior erroneous judgment, not reversed or set aside in the regular way, is ordinarily binding whether the error therein is attributable to a party or to the court. See, also, Hubbell *vs.* U. S., 83 O. G., 1661 (U. S. S. C.)

Nor is the operation of the rule of *res adjudicata* ordinarily avoided by the fact that the prior judgment was rendered in a case which was begun later than the case to which it is proposed to apply the rule. Bradley *vs.* Eagle, 66 O. G., 315 (C. C. A.) Nor can the estoppel be avoided in a case in which an appeal is permitted, by showing that no appeal was permitted from the judgment in the prior case. Johnson *vs.* Wharton, 152 U. S., 252. Inasmuch as the rule of *res adjudicata* forbids further litigation of the same demand, it applies to rulings of law as well as to findings of fact. Mitchell *vs.* Bank, 180 U. S., 471; Spencer *vs.* Watkins, 169 Fed., 379, 385. But where a different demand or cause of action is presented, the legal rulings involved by a prior judgment do not come within the field of the doctrine of *res adjudicata* so far as I can find, except as they underlie some finding of fact which is material, both to the former judgment and to the further litigation. Otherwise, a party is not estopped, so far as I know, from controverting a ruling of law made in another case, even though the parties were the same, except so far as this may be forbidden by the doctrine of *stare decisis*. And the estoppel of *res adjudicata* acts against the successful as well as against the unsuccessful party to the case in which the prior judgment was rendered. The victor can no more repudiate the findings of fact upon which he prevailed in one

case, against the objection of his opponent, in another case, than can the loser continue to urge matters which have been adjudged against him. And a party, whether victor or loser, may not bring successive suits upon the same demand; nor may a party always maintain a suit on a closely related demand or cause of action, after a first judgment, either for or against him.

The purpose of the remainder of this paper is to discuss concisely, so far as relevant to *res adjudicata*, the subjects of (1) Finality of Judgments; (2) Judgments on the Merits; (3) Identity of Parties; (4) Cases where some specific point which is material thereto has been determined in another case; (5) Cases where there has been a judgment in another case which was based upon the same demand or cause of action; (6) Cases where there has been a judgment in another case based upon another portion of the same unitary demand or cause of action—the splitting of unitary demands and causes of action; (7) The doctrine of *res adjudicata* as between courts of different countries or states, and the doctrine as between proceedings of different character; and (8) the exceptions to the rule where the prior judgment is void. These eight subjects will be taken up in the order stated.

THE PRIOR JUDGMENT MUST BE A FINAL JUDGMENT.

A decision in a case prior to final judgment is not ordinarily binding between the parties in other cases. So that a case that has been disposed of without a final judgment and a case that is still awaiting final judgment can not be made the basis for a finding of *res adjudicata* in another case. Baker *vs.* Sanders, C. D. 1897, 820 (C. C. A. 2); Black on Judgments, Chapter 18, part 2, and Chapter 19, part 2. A party need not defend a plurality of cases directed to the same matter, but his remedy is by a plea of *lis pendens* and not by one of *res adjudicata*, if none of the cases has passed to final judgment. In some jurisdictions a final judgment of the trial court may be pleaded as *res adjudicata* while an appeal is pending and in some it can not. Ranson *vs.* City, 101 Fed., 665. But after reversal on appeal or after any other action vacating the judgment below, that judgment can

not support a finding of *res adjudicata*. And the mere fact that an appeal is permitted is said never to render a judgment unavailable for the purpose of the estoppel of *res adjudicata*. 23 Cyc., 1232 (g). Hubbell *vs.* U. S., C. D. 1898, 498. A judgment upon motion or demurrer is a final judgment if it brings the case to an end in the trial court. To what extent such a judgment bars further controversy in other suits is considered in the next section hereof. The following cases in the Patent Office are examples of further contest barred by a final decision from which an appeal could have been prosecuted, but was not prosecuted: Wende *vs.* Horine, 129 O. G., 2858, 29 App. D. C., 415; U. S. *vs.* Newcomb Co., C. D. 1908, p. 332, 30 App. D. C., 464; *In re* Herbst, 141 O. G., 287, 32 App. D. C., 269.

It would seem that an interlocutory determination which is not adopted in the final decision, or which does not automatically stand as part of the grounds of the final judgment, would not support a ruling of *res adjudicata*. Barclay & Barclay *vs.* Carter Co., 198 O. G., 238, 41 App. D. C., 240, seems to me to be to the contrary, but it may be that the court considered the ruling upon the demurrer to be an essential element of the final award of priority of adoption and use.

THE PRIOR JUDGMENT MUST BE ONE UPON THE MERITS.

The questions arise whether a judgment entered upon a default, withdrawal, admission, or consent, will bar further litigation of the same matter. Either party may fail to plead or to take testimony, or to comply with formal requirements, such as printing. And a plaintiff or complainant may voluntarily take a non-suit or dismiss his bill, or a non-suit or dismissal may be entered without his consent. When a proceeding ends in one of these ways, is further consideration of the same question barred? And to what extent does a judgment upon motion or demurrer bar subsequent consideration in another proceeding?

There is a distinction between the position of the plaintiff and the position of the defendant, in the ordinary case, which is very imporatnt in this connection.

The plaintiff is ordinarily the only party who is seeking affirmative action. He alone wants something done. The defendant is ordinarily in possession and content with things as they are. Therefore a termination of the action or suit, without an adjudication that the plaintiff has or has not any case, leaves the defendant in possession; he is just where he was before the suit was brought. He has asked for nothing, he has been denied nothing, and has been deprived of nothing. Except for the worry, labor, loss of time, and the expense incident to the suit, he has not been injured, and the award of costs in his favor is ordinarily assumed to fully compensate him in these respects. For these reasons, the plaintiff or complainant, upon the payment of costs, may ordinarily default, take a non-suit, or dismiss his case, at any time prior to the entry of final judgment, and even after a verdict against him. And such non-suit, dismissal, or default leaves him free to bring another action, and to repeat the process without apparent limit except that imposed by statutes of limitation. Homer *vs* Brown, 16 Howard, 354; Hughes *vs.* U. S., 4 Wall, 232; Haldeman *vs.* U. S., 91 U. S., 584; Manhattan *vs.* Boughton, 109 U. S., 121; Woodward *vs.* Davidson, 150 Fed. Rep., 840; U. S. Co. *vs.* Bradley, 149 Fed Rep., 222; Francisco *vs.* Chicago, 149 Fed. Rep., 354. But see Coram *vs.* Ingersal, 148 Fed., 169, and Minor *vs.* Mechanics, 1 Pet., 46. And a final judgment of non-suit entered, against the plaintiff's protest, on the ground that his pleadings or evidence are insufficient to make out a case or prove his case, is likewise not a judgment on the merits and leaves the plaintiff free to bring another suit. 23 Cyc., 1131-1155 and 1225-1232.

The defendant, of course, has no such privileges. If he could avoid a binding judgment by defaulting, withdrawing, or resting upon insufficient proofs, he could defer indefinitely the action or relief which was sought by the plaintiff; and the courts would be without power to secure to suitors rights of which they have been deprived, or to enforce redress for wrongs which they have suffered. A judgment against a defendant based upon default, or upon an insufficiency of evidence in his behalf, or upon a withdrawal without consent, is therefore of necessity a binding judgment, and is presumed to rest

upon an admission or finding that his case is without merit, though there has been no more actual consideration of the real facts than when a plaintiff pursues a similar course. 23 Cyc., 767, 1135, 1229; Hefner *vs.* Northwestern, 123 U. S., 747; Last Chance *vs.* Tyler, 157 U. S., 683.

Nor is it always true that a plaintiff can dismiss his case, or submit it upon insufficient evidence, and escape a judgment which is binding. If the defendant is seeking affirmative relief, the same reasons which ordinarily prevent the defendant from thus escaping a binding determination, apply to the plaintiff, and he is similarly bound. And in any case where the defendant successfully controverts the plaintiff's evidence, or proves that no such facts exist as are alleged by the plaintiff, there should be a general judgment for the defendant, which is a judgment on the merits, conclusive and binding upon both parties. 23 Cyc., 774. And a judgment based upon an admission or rendered with consent is usually binding. Harding *vs.* Harding, 198 U. S., 317. And a judgment against a plaintiff purporting to be on the merits can not be shown in another suit by testimony to have been in fact based upon the plaintiff's default. Lyon *vs.* Perin, 43 O. G., 983 (U. S. S. C.); but it is said in other cases that the court will look to the substance and not the form of the prior judgment.

A judgment upon demurrer is not a judgment upon the merits when it disposes merely of some technical point of pleading or is based upon an insufficiency of allegation in the declaration or bill. A judgment on demurrer conclusively establishes the point ruled upon, and therefore when the whole case is presented by the demurrer it is a bar to further litigation of that subject-matter. But a judgment upon demurrer does not as a rule bar further consideration of anything but the exact matter passed upon or the specific point determined. Gould *vs.* Railroad, 91 U. S., 526; Gilman *vs.* Rives, 10 Pet., 297; Wiggins *vs.* Railway, 142 U. S., 396; City *vs.* Clark, 62 Fed., 694 (Taft); Ohio *vs.* Fisher, 115 Fed., 929; and Gilman *vs.* Norris, 46 Fed., 333. Judgments upon motion are presumably governed by the same principles. It has been held, however, that this practice does not apply to permit an interferant to contest a second interference upon a broad-

ened claim after a judgment against him upon the ground that the issue is too narrow to cover the common invention which the same was supposed to cover when the interference was declared. Sutton, Steel and Steele *vs.* Wentworth, 204 O. G., 320, 41 App. D. C., 582. Attention has already been called to Barclay & Barclay *vs.* Carter Co., in which an applicant for registration in a second opposition was held barred from asserting that the marks did not conflict, because of a decision in the first opposition overruling his demurrer brought upon this ground, and a final judgment in his favor based upon the opposer's failure to print.

In interferences between two applicants in the Patent Office both parties are seeking affirmative action; each wants a patent, and judgment for either party prevents the other party from obtaining a patent for the subject-matter in issue. Each party stands as a plaintiff in respect to his own demand and as a defendant with respect to the demand of his opponent. Such an interference is therefore like a suit in which a cross bill has been filed. Neither party can escape a binding judgment by defaulting or by failing to prove his case. The force of these fundamental facts should never be overlooked merely because we do not clerically entitle each interference between parties A and B, as B *vs.* A, as well as A *vs.* B. Our practice of regarding the junior party as the plaintiff and the senior party as the defendant is right for the purpose of procuring an orderly production of proofs, and for determining who shall prevail when no testimony is taken and when the evidence upon some critical question is evenly balanced. But it would be unreasonable to take this view of an interference when applying thereto the practice of the courts in the matter of a plaintiff's right to default, or dismiss his case, or fail to prove the same, and thereafter contest the same question in another suit. This point is one that must always be kept in mind when applying the decisions of the courts as precedents in *res adjudicata* cases in the Patent Office; the senior applicant is a plaintiff as well as a defendant, and the junior party is a defendant as well as a plaintiff. The junior party may not, in a second interference, contest the senior applicant's right to the patent which he is seeking, any more than a senior

applicant can take such a course against the junior party.

Whether a patentee or registrant involved in an interference or cancellation can be said to seek affirmative action is doubtful, although he relies on his own separate cause of action as we shall see later. So far as the applicant's right to withdraw is concerned, it would seem that a patentee and a registrant in such cases stand in nearly the same position as an ordinary defendant, except in the matter of the award of costs. Mr. Assistant Commissioner Whitehead has suggested that in this situation, and some others in the Patent Office where the court precedents will not support the estoppel of *res adjudicata*, a party who fails to fully prove his case in the first proceeding may be prevented from asserting any right in a second contest, by the general doctrine of estoppel *in pais*. The injury to his opponent in useless expense, incurred through the failure of the party in question to speak when he had an opportunity to speak, may well be held to estop him from speaking later. It would seem that in any contested case in the Patent Office we can well hold that a judgment upon default, or insufficient pleading, or insufficient evidence, is as binding as any other judgment, by reason of this extra burden which a further contest would impose upon the party who stood ready to fully contest the first case. And it has been the uniform practice of the Office to so hold, whether the proceeding involves applicants only or includes a patentee or registrant. A large number of interferences are disposed of every year upon the failure of the junior party to file a preliminary statement, or to take testimony, or to adduce sufficient proof to establish the facts of his preliminary statement, or to print his testimony. And in many of these cases the senior party is a patentee. But I have never heard that a second interference had been permitted in one of these cases because the judgment was not based upon the merits.

In Carter Co. *vs.* Barclay & Barclay, 162 O. G., 785, 36 App. D. C., 123, the Carter Co. opposed Barclay & Barclay's application for trade-mark registration. A former opposition by the Carter Co. to the same application of Barclay & Barclay had been dismissed because the opposer had failed to print his testimony. The

plea of *res adjudicata* in the second case was overruled, but the Court of Appeals in overruling this plea did not put its decision on the ground that the dismissal of the first case for the failure to print was not a decision on the merits. The fact that the court did not base its decision on the ground that a judgment against a complainant for failure to print does not preclude a second proceeding, strongly indicates that proceedings in the Patent Office are not subject to the general rule in this regard, and that in the Patent Office a judgment against a complainant based upon any default or upon insufficient evidence is a bar to a second contest, and this conclusion is confirmed by the fact that when this case again came before the Court of Appeals, the adjudication of priority of adoption and use in the first proceeding in favor of Barclay & Barclay was held to estop them from questioning the substantial identity of the marks of the two parties in the second proceeding. Barclay & Barclay *vs.* Carter Co., 198 O. G., 238, 41 App. D. C., 240.

In *Ex parte* Votey, 1905 C. D., 1, Votey's claims were rejected upon a judgment against him in an interference proceeding. Votey pointed out that the judgment was based upon his failure to take testimony and demanded, among other things, that another interference be declared. The demand was denied.

In the case of Carroll *vs.* Hallwood, 135 O. G., 896, 31 App. D. C., 165, Carroll was the senior party in a prior interference where he unsuccessfully urged that the issue was not patentable and then filed an abandonment of the invention in issue and took an adverse judgment of priority. He then filed a narrower claim based upon the same construction and a second interference was declared. In this the subject-matter was held to be *res adjudicata* notwithstanding the fact that the judgment in the first interference was not based upon proofs by the junior party.

In Nelson *vs.* Felsing, 142 O. G., 289, 32 App. D. C., 420, a patentee was held estopped from prevailing in an interference by a decision in a prior interference between the same parties upon substantially the same invention. The prior decision was based upon a concession of priority by the patentee. The patentee offered evidence in the second interference to show that the concession had been

obtained by duress, but the court held that the prior judgment could not be thus collaterally attacked.

It has been held, however, that an interferant who takes a judgment against himself on the record may thereafter put the claims in an earlier application and contest another interference with the same antagonist. Thorpe *vs.* White & White, 91 O. G., 1435. It may be that this practice is overruled by the later decision in Blackford *vs.* Wilder, 127 O. G., 1255, 28 App. D. C., 535.

A dissolution is like a decision on demurrer in that it disposes of the case on some preliminary or formal matter, or because it is apparent upon the face of the record that one of the parties has no case. Dissolution for vagueness of the issue does not bar another interference upon corrected issues. Dinkel *vs.* D'Olier, 113 O. G., 2507. Dissolution on the ground that the issue presents no invention does not bar a second interference on the same issue or on an amended issue which is "not essentially different" from the prior issue (Rotter *vs.* Hodgkinson, 213 O. G., 1118, C. A.; Gold *vs.* Gold, C. D., 1910, p. 269, 34 App. D. C., 229) and, of course, the second contest is not barred by a dissolution for anticipation or lack of invention where the new issue is essentially different from the old one.

But dissolution on the ground that a party has no right to make the claims in issue has been held to be a final decision on priority of invention and to bar a further contest in a separate proceeding. U. S. *vs.* Newcomb Co., C. D., 1908, p. 332, 30 App. D. C., 464, and Gold *vs.* Gold, *supra.* However, there is no distinction which is clear to me between these cases and the case of Moore *vs.* U. S. ex rel. Colburn, 191 O. G., 293, 40 App. D. C., 201, where the second interference was held not to be barred by the rule of *res adjudicata.*

There is another question arising in *res adjudicata* cases, which may well be considered in connection with the proposition that the judgment to be a bar must be upon the merits. As set forth in Black's "Judgments," section 733—

> . . . cases not infrequently arise in which a party, acting upon a certain theory as to his

legal rights, or as to the legal effects of a given state of facts or transaction, brings his action and is defeated, being unable to substantiate his view of the case, and afterwards renews the litigation, without any change in the facts, but basing his claim on a new and more correct theory. In such a case, the former judgment is no bar to the second action. It is true the subject-matter is the same, but the cause of action set up in the former suit was, as shown by the result, merely illusory and supposititious, and hence it can not be considered as identical, in any just sense of the term, with the true cause of action correctly set up and supported by a right theory of the facts. Further, the evidence necessary to sustain the second action could not, if offered in the first, have altered the result. And this, as we have seen, is the one recognized test of identity.

. . . . . .

But it is not enough to bring a case within the foregoing rule that the party sets up new or additional reasons why his contention should prevail. In other words, a judgment will be allowed its full conclusive effect where the parties and the cause of action are the same, and the theory on which the case is based is not essentially different from that formerly litigated, although the plaintiff now brings forward new grounds of recovery, or the defendant now sets up new grounds of defense.

See, also, Water *vs.* City, 160 Fed., 41 (C. C. A., 8).

IDENTITY OF PARTIES.

A prior judgment is not binding upon any one who was not an actual party to the proceeding or in privity with an actual party, except in the case of a proceeding *in rem*, and except in so far as one not a party may be bound by a ruling of law in accordance with the doctrine of *stare decisis*. A proceeding *in rem* is one in which the court is

considered to deal directly with the subject-matter, rather than with the persons who are interested therein. There are comparatively few cases of this kind. Certain admiralty proceedings and attachments for violations of revenue laws appear to form the bulk of them. Probate and divorce proceedings and some others are *in quasi rem*. Other proceedings are *in personam*. In proceedings *in rem* no service is required. In poceedings *in quasi rem* constructive service may be had by publication. In proceedings *in personam*, actual legal personal service is required. Wells on *Res Adjudicata* and *Stare Decisis*, Chapter 38. Judgments in proceedings *in rem* are binding on everybody. Judgments in proceedings *in quasi rem* and *in personam* are binding only on the parties to the proceeding. A suit upon a patent is not a proceeding *in rem*. Even a judgment that the patent is invalid apparently will not prevent the patentee from presenting the patent for another adjudication in a suit aginst another party and sustaining the same. U. S. *vs.* Am. Bell, 128 U. S., 315; Rubber *vs.* Milwaukee, 154 Fed., 358 (C. C. A., 7).

An assignee of a successful defendant can take advantage of the rule of *res adjudicata* to bar a subsequent suit against him by the same plaintiff. Werlein *vs.* New Orleans, 177 U. S., 390. An assignee of a losing defendant is barred from recontesting the same matter with the same plaintiff. Stout *vs.* Lye, 103 U. S., 66. And in general those deriving from a litigant or otherwise in privity with him stand in his place for all purposes so far as *res adjudicata* is concerned. But the questions that arise regarding identity of parties in different specific situations are almost infinite. Wells on *Res Adjudicata* and *Stare Decisis*, Chapters 2 to 14, inclusive.

It is sometimes held that an executor or trustee suing as such is a different party from the same person appearing in his separate personal capacity. Collins *vs.* Hydom, 135 N. Y., 320. But this doctrine will not apply to permit a city to bring a second suit, in regard to certain city property, on the theory that the first suit was for itself and that the second suit is for the people as their trustee. Werlein *vs.* New Orleans, 177 U. S., 390. Nor will it permit the United States, after losing one suit in regard to some Indian lands, to maintain a second

suit on the theory that it then acted for itself and is now acting for the Indians. U. S. *vs.* Cal. & Ore. Land Co., 192 U. S., 355.

The presentation by a common assignee, in successive suits or interferences, of the titles of different assignees, will be considered under the next heading. There is no question in such a case but that the parties to the two cases are identical. The question that is raised is to what extent the litigation of certain subject-matter and the advance of certain titles and proofs bar further litigation upon other more or less related subject-matter, and bar the presentation of other more or less related titles and proofs.

In the Patent Office, bearing upon the question of identity of parties, there is the decision in Miller *vs.* Lambert, C. D. 1895, page 77, where a party was held estopped by a judgment against him and another as joint inventors in a prior interference upon the same invention.

SUBJECT-MATTER—PRIOR SPECIFIC DETERMINATION.

After a final judgment upon the merits in one case, what matters, titles, or evidence may be considered in another case between the same parties? What may be called *the first rule of subject-matter* is the following: Any specific question which is actually considered and determined, as a basis for final judgment on the merits in one case, is settled for all cases between the same parties. The winning party is bound by the specific determinations upon which the judgment in his favor rested and may not question the soundness of these determinations in a later proceeding where it may be to his interest to do so. And the losing party is likewise bound by any specific determination made against him. It is only essential that the specific determination thus regarded as conclusive shall have been material to the decision rendered in the first case. And a specific determination can not be considered immaterial merely because the first judgment could have been based on other grounds, if it was in fact based on this one, or because it was in fact based on other grounds as well as on the one in

question. It is immaterial whether the two suits pertain to the same or to entirely different matters. Identity of the demand or cause of action in the two proceedings does not figure in the application of this rule. For example, a specific determination of any fact in a trademark opposition might well bind the parties as to that fact in a patent interference.

In Wilson's Executor *vs.* Deen, 121 U. S., 525, a second suit on a different cause of action was held to be barred because it presented for determination merely the validity of a certain lease which had been found invalid in disposing of the different demand of the first suit. The court said of the prior judgment that it—

> . . . determined not merely for that case, but for all cases between the same parties, not only that there was nothing due for the rent claimed for the month of December, 1873 (the demand of the first case), but that the lease itself was procured by fraud and therefore void.

In New Orleans *vs.* Citizens Bank, 167 U. S., 371, Justice White said:

> . . . The estoppel resulting from the thing adjudged does not depend upon whether there is the same demand in both cases, but exists, even though there be different demands, when the question upon which the recovery of the second demand depends has under identical circumstances and conditions been previously concluded by a judgment between the parties or their privies.

See also Werlein *vs.* New Orleans, 177 U. S., 390; Harding *vs.* Harding, 198 U. S., 317; Southern Pacific Railway *vs.* U. S., 168 U. S., 1, and Black's "Judgments," Paragraphs 609-632, and 23 Cyc., pages 1288-1323.

In applying this first rule of subject-matter it is very important to bear in mind that two different specific points often may be generalized in the statement thereof until an identity of statement is reached, but that an identity of the question previously decided with the one thereafter presented, which depends upon this

process of generalization to bring it about, is not sufficient to bring the case under this rule.

In Nesbit *vs.* Riverside, 144 U. S., 610, there was a second suit, regarding some bonds, between the same parties in the same relation of plaintiff and defendant. The cause of action was different in the two cases and the question of *res adjudicata* turned upon whether the same fact was presented for determination in both cases. The defendant lost the first case on the ground that certain recitals in the bonds relieved the plaintiff from an investigation of the total amount of the bonds issued. This investigation would have shown that the issue of the bonds was illegal and made the plaintiff not a *bona fide* holder. The defendant successfully urged in the second suit that the amount of the bonds purchased by the plaintiff was sufficient in itself to make their issue illegal. The Supreme Court recognized that each case turned on the *bona fides* of the plaintiff in one and the same purchase of bonds, but looked beyond this to the more specific questions which were presented by the defendant in the two cases. These being entirely different, the court held that the second contest was not barred. The finding upon the question of *bona fides* was a deduction in each case from a more specific finding which was the actual specific determination. The specific question raised by the defendant in the second suit was not available to the defendant in the first suit because the plaintiff did not there disclose the total amount of the bonds which she had purchased, but this fact though dwelt upon in the decision was probably not essential to the overruling of the plea of *res adjudicata*.

In Washington, Alexandria & Georgetown Steam Packet Co. *vs.* Sickles, 24 Howard, 333, Sickles was plaintiff in two successive actions for royalties for the use of an invention. The demands and causes of action were held to be different so that the question of *res adjudicata* turned upon whether some fact which was essential to the second case had been decided in the first case. The defendant, in the second case, denied the validity of the contract. The plaintiff, having prevailed in the first case upon the same contract, contended, in the second case, that the validity of the contract was specifically determined by the prior judgment. The

court held that the validity of the contract might have been specifically litigated in the first case, but that, so far as appeared, it might not have been specifically litigated there. The fact that the first case did not show an actual contest and consideration of the specific question raised for contest in the second was held to avoid the bar of *res adjudicata*, although it would seem as though the prior judgment must have rested on an assumption, if not a finding, that the contract existed and was valid. The court said of the prior suit in such cases:

> "The inquiry is competent whether the same issue has been tried and settled by it."

The case of Davis *vs.* Brown, 94 U. S., 423, illustrates the same point. Two successive suits were brought by Davis against Brown as an indorser upon different notes of the same series. Brown's defense in the first suit was that the maker of the notes had not been sued. The court held that suit against the maker was not necessary and entered judgment for Davis. Brown's defense to the second suit was an agreement with Davis by which Brown was exempt from responsibility upon his endorsements. Davis urged that this defense was not open to Brown because it had not been advanced in the first suit. The Supreme Court held that the new defense was not barred, saying:

> "When a judgment is offered in evidence in a subsequent action between the same parties upon a different demand, it operates as an estoppel only upon matter actually at issue and determined in the original action."

At first glance it might seem as though the second case turned upon the same question as the first case; namely, whether Brown was responsible to Davis as an indorser. But this is a general statement covering two different specific questions, one of which was the question actually considered in the first case, and the other, the specific question offered in the second case.

The leading case of Cromwell *vs.* County of Sac, 94 U. S., 351, presents a similar situation. A first action upon the coupons of some bonds was defeated upon

proofs that the issue of the bonds was fraudulent, there being no evidence that the plaintiff was a purchaser without notice of the fraud. In the second action upon other coupons of the same bonds, the same plaintiff advanced proofs that he was a purchaser without notice. The defendant contended that these proofs were barred by the prior litigation, but this contention was overruled on the ground that the specific matter now offered by the plaintiff had not been considered in the prior case. Mr. Justice Field, speaking for the court, said:

> ". . . Where the second action between the same parties is upon a different claim or demand, the judgment in the prior action operates as an estoppel only as to those matters in issue or points controverted, upon the determination of which the finding or verdict was rendered. In all cases, therefore, where it is sought to apply the estoppel of a judgment rendered upon one cause of action to matters arising in a suit upon a different cause of action, the inquiry must always be as to the point or question actually litigated and determined in the original action, not what might have been thus litigated and determined. Only upon such matters is the judgment conclusive in another action.
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> . . . . . .
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> "It is not believed that there are any cases going to the extent that because in the prior action a different question from that actually determined might have arisen and been litigated, therefore such possible question is to be considered as excluded from consideration in a second action between the same parties on a different demand, although loose remarks looking in that direction may be found in some opinions. On principle, a point not in litigation in one action can not be received as conclusively settled in any subsequent action upon a different cause, because it might have been determined in the first action.
>
> "Various considerations, other than the actual merits, may govern a party in bringing forward grounds of recovery or defence in one action, which

> may not exist in another action upon a different demand, such as the smallness of the amount or the value of the property in controversy, the difficulty of obtaining the necessary evidence, the expense of the litigation, and his own situation at the time. A party acting upon considerations like these ought not to be precluded from contesting in a subsequent action other demands arising out of the same transaction. A judgment by default only admits for the purpose of the action the legality of the demand or claim in suit; it does not make the allegations of the declaration or complaint evidence in an action upon a different claim. The declaration may contain different statements of the cause of action in different counts. It could hardly be pretended that a judgment by default in such a case would make the several statements evidence in any other proceeding." Boyleau *vs.* Rutlin, 2 Exch., 665, 681; Hughes *vs.* Alexander, 5 Duer., 493.

Last Chance *vs.* Tyler, 157 U. S., 683, may be in conflict to some extent with these authorities. The second suit was found to be based upon a different demand, but was held to be barred by a finding of fact in the prior suit which was controlling upon the question raised in the second suit. The defendant had withdrawn his answer in the prior suit and there was no actual consideration of the question in that case upon specific affirmation and denial. Many other cases can undoubtedly be found to the same effect. Beloit *vs.* Morgan, 7 Wallace, 619, seems also to be in conflict with these cases and cites several authorities which likewise conflict therewith.

The second decision of the Court of Appeals of the District of Columbia in the opposition of Carter Co. against trade-mark registration by Barclay & Barclay (Barclay & Barclay *vs.* Carter Co., 198 O. G., 238, 41 App. D. C., 240), already twice referred to herein, furnishes an interesting example, in a Patent Office case, of an estoppel upon the successful party to the prior litigation based upon a finding that the same specific matter had been considered and decided against him

in the prior case. The first opposition of the Carter Co. terminated in a judgment for Barclay & Barclay as a result of the failure of the Carter Co. to print its testimony. The judgment was worded "priority of adoption and use of the trade-mark in issue is awarded to Barclay & Barclay." In the second proceeding, which was held proper because Barclay & Barclay had put their application on a ten-year basis after the judgment in their favor in the first case, Barclay & Barclay contended that the mark of the Carter Co. was not substantially identical with their mark. The court held that this was a specific fact which was settled against them by the first decision. A demurrer by Barclay & Barclay, based upon the ground that the marks of the two parties did not conflict, had been overruled.

SUBJECT-MATTER—RELITIGATION OF THE SAME DEMAND AND CAUSE OF ACTION.

The demand is the thing sued for or the relief sought. The cause of action is the fact, or state of facts, upon which the demand is based, considered in connection with the legal right to relief alleged to proceed from such fact or facts. 6 Cyc., 705. The facts or occurrences are not themselves the cause of action, although they are sometimes so designated, nor is the abstract legal right, considered apart from the facts upon which it rests in the particular case. If I trespass on your property, the act of trespass together with the right to damages is the cause of action. Any special injury to the property with the right to further damages therefor would be a different cause of action, though a closely related one. Also, a second act of trespass and the right to further damages therefor would constitute a different cause of action and support another demand.

What may here be called the second rule of subject-matter is the following: After a final judgment upon the merits in one case, the same cause of action can not be relitigated. That the cause of action existed or did not exist is settled by the first judgment, against all further controversy in other cases. The demand of the first suit is put at rest and with it all other demands which amount merely to different views of the same demand and are

part of the same cause of action. The losing party, whether plaintiff or defendant, can not thereafter advance anything, either as pleading or evidence, whether previously advanced or considered or not previously advance or considered, to obtain a different ruling upon the same cause of action. And a defendant must put forth every defense which is available to him to defeat the demand of the plaintiff, except a set-off or counterclaim, and these are also *res adjudicata* if pleaded and adjudicated. 23 Cyc., 1195-1206.

The following cases are examples of the operation of the doctrine of *res adjudicata* to prevent a defeated party from relitigating the same cause of action even though new grounds of recovery or defense are offered in the second case.

In U. S. *vs.* Cal. & Ore. Land Co., 192 U. S., 355, the United States had sued for the recovery of some lands which had been granted by patents. The ground of recovery set up in the first suit was that the patents had become forfeited. The judgment was for the defendant. The United States brought another suit for the lands, this time on the ground that these lands were excepted from the original grant. The court held that both suits were based upon the same cause of action and that the United States was therefore bound to bring forward in the first suit all the grounds that it had for avoiding the patents, and was bound by the decree dismissing that suit. Justice Holmes, speaking for the majority of the court, said:

> . . . the whole tendency of our decisions is to require a plaintiff to try his whole cause of action and his whole case at one time. He can not even split up his claim, . . . and *a fortiori* he can not divide his grounds of recovery.

In Werlein *vs.* New Orleans, 177 U. S., 390, some city lands were sold by the United States marshal upon a judgment against the city in favor of one Klein. The city brought suit before the sale was consummated to prevent the sale, alleging that Klein had assigned his judgment, etc. The city lost. The sale was consummated and the property transferred to Werlein. The city sued

Werlein to recover the land. The new ground was set up that this land was exempt from attachment because of its special public character. The Supreme Court held that this would have been ground for judgment for the city in the prior suit, but that the cause of action in both suits was the same and that the second suit must therefore be dismissed on the ground of *res adjudicata*. Referring to the first suit by the city against Klein, the court said:

> The threatened sale might have been illegal for a number of reasons, based upon widely divergent facts, but whatever those reasons were, the facts upon which they rested were open to proof in the chancery action, and if the city desired the benefit of them, they should have been alleged and proved. It would seem to be quite clear that the plaintiff could not be permitted to prove each independent fact in a separate suit.

In Davis *vs.* Brown, 94 U. S., 423, the following clear statement of this principle is found as a dictum:

> So far as the demand involved in an action is concerned, the judgment has closed all controversy; its validity is no longer open to contradiction, whatever may have been said at the trial for or against it. The judgment is not only conclusive as to what was actually determined respecting such demand, but as to every matter which might have been brought forward and determined respecting it.

See also Dowell *vs.* Applegate, 152 U. S., 327; also St. Louis *vs.* Wabash, 152 Fed., 849 (C. C. A.), wherein it was held to be:

> . . . the indubitable rule of law that in a second suit between the same parties or those in privity with them upon the same claim or demand, a judgment on the merits is conclusive, not only as to every matter offered, but as to every admissible matter which might have been offered to defeat the claim or demand.

The important patent case of Bradley *vs.* Eagle, C. D., 1894, page 12 (C. C. A.), is an example of the rule in operation against a losing defendant. The court held that a new defense of invalidity which could have been offered in a prior suit between the same parties upon the same patent does not escape the rule of *res adjudicata*. The second suit was necessary in order to reach parties who were in privity with the defendant in the first suit but were not named therein.

In the leading case of Cromwell *vs.* County of Sac, 94 U. S., 351, the rule in those cases where two suits are based upon the same cause of action is fully stated. Referring to the first judgment Justice Field said:

> . . . It is a finality as to the claim or demand in controversy, concluding parties and those in privity with them, not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any other admissible matter which might have been offered for that purpose. Thus, for example, a judgment rendered upon a promissory note is conclusive as to the validity of the instrument and the amount due upon it, although it be subsequently alleged that perfect defences actually existed, of which no proof was offered, such as forgery, want of consideration, or payment. If such defences were not presented in the action, and established by competent evidence, the subsequent allegation of their existence is of no legal consequence. The judgment is as conclusive, so far as future proceedings at law are concerned, as though the defences never existed. The language, therefore, which is so often used, that a judgment estops not only as to every ground of recovery or defence actually presented in the action, but also as to every ground which might have been presented, is strictly accurate, when applied to the demand or claim in controversy. Such demand or claim, having passed into judgment, can not again be brought into litigation between the parties in proceedings at law upon any ground whatever.

In the following suits where the controversy was whether two cases presented the same or different causes of action, the causes of action were held to be the same.

Werlein *vs.* New Orleans, 177 U. S., 390: This is the case already mentioned where the city sued one Klein to prevent him from having some city lands sold to satisfy a judgment against the city. The city lost and the lands were sold. The city then brought suit against a purchaser to recover them. The ground of the first suit was that Klein had assigned his interest in his judgment against the city, and in the second, that the lands were not alienable for the city's debts. The Supreme Court held that the sole cause of action in the first suit was the supposed illegality of the threatened sale and that the sole cause of action in the second suit was the supposed illegality of the consummated sale and that these were the same thing in different forms. Justice Peckham said:

> The demand in the later case is simply altered to conform to the fact that there had been a sale of the property.

In Dowell *vs.* Applegate, 152 U. S., 327, a second suit was brought for a portion of the land that was sought in the first suit. The plaintiff having failed in the first suit based the second suit on a title to the portion of the land to which this suit related, which did not apply to the entire land. It was held that the cause of action in the two proceedings was the same.

Also U. S. *vs.* Cal. & Oregon Land Co., 192 U. S., 355, and Stockton *vs.* Ford, 18 How., 418.

In the following suits causes of action were held to be different:

Nesbit *vs.* Riverside, 144 U. S., 610. The holder of five bonds issued at one time as part of a series, first sued on the coupons of two of the bonds and won. He then sued upon all of the bonds. Justice Brown said:

> Each coupon is a separate promise and gives rise to a different cause of action. It may be detached from the bond and sold by itself. Indeed the title to several matured coupons may be in as many different persons, and upon each a

distinct and separate action may be maintained.

. . . . . .

Though the promises are upon the same paper they are as distinct as if in different instruments.

In Cromwell *vs.* County of Sac, *supra*, suits upon different coupons of the same bonds were held to be based upon different causes of action.

In Davis *vs.* Brown, 94 U. S., 423, successive suits upon different notes of the same series and all subject to the same agreement were held to be based on different causes of action.

In Washington *vs.* Sickles, 24 Howard, 333, suits for different installments of royalty for the use of an invention were held to present different causes of action.

The interesting question at this point is: What is the cause of action in a contested case in the Patent Office? In a patent interference the cause of action of any party is believed to consist of all his inventive acts (so far as relevant to a decision upon the issue) which led to his production of the specific thing upon which the issue rests in his application, taken in connection with his right to an award of priority if his opponent was not prior to him in the invention of the subject-matter of the issue. The filing of his application, where offered as a constructive reduction to practice, is included as one of his inventive acts. And an applicant's right to have a patent granted to him for the invention in issue, in the event that he is the prior inventor thereof, is probably a part of his cause of action along with his right to an award of priority under such circumstances. It is believed, therefore, that each party to a patent interference has a cause of action which is substantially independent from that of his opponent. The patent interference in this respect is unlike the ordinary action or suit in the courts, but as has already been stated, resembles a suit in which a defendant asserts a counterclaim, or in which a cross-bill has been filed demanding affirmative action for the defendant. Upon the issue of originality, in those cases where the invention has only been made once and the question is which party is the inventor, the causes of action of both parties are founded

in the same occurrences; but each party's alleged right to an award of priority, taken in connection with the facts as he alleges them, probably constitutes his cause of action. In trade-mark interferences and in oppositions the cause of action is likewise double; consisting of each party's claimed right to an award, or to registration, as founded on the facts which he alleges in support thereof. In interferences in which a patent or registration is involved, and in applications for cancellation of a registration, the patentee or registrant is believed to have substantially the same cause of action against his opponent as he would if he were an applicant. The statute gives him a right to an adjudication in his favor if he is the first inventor or real owner, and this right coupled with the facts upon which he rests this right would seem to constitute a cause of action separate from that of his opponent.

An example in the Patent Office of consideration barred because the same matter could have been offered in a prior proceeding upon the same cause of action, would be presented if a losing party should seek a second interference on the same issue, in order to prevail by proofs regarding a prior machine which he did not attempt to prove in the former proceeding; also, if he should seek a second interference in order to take testimony for the purpose of showing for the first time concealment of his opponent's invention after reduction to practice. The second contest in such cases would so clearly be barred by the law of *res adjudicata* that it is not often pressed, and I know of no published decisions where such simple cases were presented.

A situation has arisen, however, where the question of a second interference is believed to be solved by the rule against successive litigation of the same demand and cause of action. The assignee of two independent inventors, after losing an interference with another party upon the application of one of his assignors, sometimes seeks another interference with the same opponent upon the same invention in order to present the case of his other assignor. The assignee seeks to present in the second interference, as the basis of his demand of a patent, a set of inventive acts entirely independent of those which he presented in the first

interference. He is setting up the claimed patent right of another person and, therefore, a different claimed patent right. It seems to me that he is asserting a different cause of action and that, regarding him merely as the plaintiff in both interferences, the rule of *res adjudicata* would not apply, although Dowell *vs.* Applegate, *supra*, may indicate that it would. But regardless of this authority, the second interference in such cases is believed to be clearly barred by the fact that the second interference would relitigate the same cause of action of the opponent of the assignee of two inventors that was litigated in the first contest. As the rule of *res adjudicata* is enforced primarily to prevent a party who presents his case and wins, from being drawn through another contest and deprived of his victory, by an opponent who failed to present his whole case, it would seem that the right of the assignee of two inventors to present his different cause of action in a second case, would have to give way to the right of his opponent to regard his single cause of action, and the single demand which he rests thereon, as finally settled by the first judgment. In short, the position of the assignee of two inventors as a defendant in the first interference made it his duty to oppose every defense at his command to the demand of his plaintiff opponent, and it seems to do greater violence to the reasons for the rule of *res adjudicata* to disregard this duty of his as a defendant, than to disregard his possible right as a plaintiff to present his different causes of action in two successive interferences. The following decisions holding that two interferences can not be had under these circumstances are believed to be justified upon these considerations: *Ex parte* Temple & Goodrum, 76 O. G., 526; Frickey *vs.* Ogden, 199 O. G., 307.

The question of identity of cause of action came up in the trade-mark opposition of Carter Co. *vs.* Barclay, 162 O. G., 785, 36 App. D. C., 123. The Carter Co. opposed the application for registration of Barclay on the ground that the opposer was the owner, by prior adoption, of an equivalent mark. A general judgment was rendered against the opposer as a result of its failure to print its record. Barclay's application was then rejected on the ground that the mark was non-technical,

whereupon Barclay filed an affidavit to the sole use for ten years which justifies registration of non-technical marks. The Carter Co. brought another opposition which the Office held to be barred by the rule of *res adjudicata*. The Court of Appeals held, however, that the cause of action in the second case was different, as a result of the applicant's action after the first judgment setting up the ten years of sole use, and that the second contest was not barred. The court evidently considered the applicant to be in the position of a plaintiff who first demanded a technical registration and then demanded a ten year registration, and taking this view and regarding these as distinct demands, was bound to find that the opposer's defence on the ground that the applicant was not the first to adopt and use did not preclude the opposer from later defending on the ground that the applicant did not have the necessary ten years of sole use.

SUBJECT-MATTER—THE SPLITTING OF UNITARY DEMANDS AND CAUSES OF ACTION.

A plaintiff may not divide a unitary demand or cause of action into parts and sue successively upon the different parts, even when he is successful in the first suit. This may be called the third rule of subject-matter. The law upon this subject is concisely indicated in the following extracts from the Cyclopedia of Law and Procedure, Vol. 23, pages 1174, 1178, and 1180:

> Where a demand or right of action is in its nature entire and indivisible, it can not be split up into several causes of action and sued piecemeal, or made the basis of as many separate suits; but a recovery for one part will bar a subsequent action for the whole, the residue, or another part. A particular application of this rule is that a party who has an entire claim which exceeds in amount the jurisdiction of a justice of the peace, and who, to bring his action within such jurisdiction, divides it into several portions, is barred by his first recovery and can not afterward sue for the remaining portions. Neither can a party, by

> assigning a part of his claim to another, divide an entire cause of action so as to sustain more than one suit upon it.
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> An entire claim arising from a single tort can not be divided and made the subject of several suits; a judgment upon the merits in respect to any part will be available as a bar in other actions arising from the same cause, the rule being that plaintiff must include in the one action all the various items or elements of his damage, and recover all the compensation he is entitled to for each and all of such items, including prospective damages in cases where the injury was single, complete, and not repeated.
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> . . . . . .
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> The rule prohibiting a multiplicity of suits has no reference to a case where the party has no knowledge of his means of redress; and a former recovery does not bar claims of which plaintiff was ignorant, although they existed at the time and might have been joined. And some of the decisions extend this exception to claims or items omitted by plaintiff, not through ignorance of them, but by mere mistake. But the general rule is that a party who inadvertently, or by his own negligence or mistake, and without fault or fraud of the adverse party, takes judgment for a sum less than his actual claim, is estopped to bring a second action for the residue. And the same result follows where claims or items were omitted in consequence of the mistake or erroneous decision of the court or a referee.

A party is not ordinarily prohibited from pressing distinct matters in successive proceedings. See Black's "Judgments," Vol. II, sec. 732, and the cases cited in Note 333. The author quotes from Eastman *vs.* Porter, 14 Wis., 37, which states, referring to the rule of *res adjudicata*, that it—

> . . . is limited in its application to those matters which the parties, under their pleadings

> and the issue joined in the former action, might legitimately have controverted and have had decided by the verdict and judgment, and has never been so extended as to compel one party, having several different causes of action against another, to join them in one action because they were of such a character that the law would permit their union.

The rule against the splitting of a unitary demand or cause of action best explains the practice of Blackford *vs.* Wilder, 127 O. G., 1255, 28 App. D. C., 535; Wende *vs.* Horine, 129 O. G., 2858, 29 App. D. C., 415; and *In re* Marconi, 179 O. G., 577, 38 App. D. C., 286. These decisions deny the losing party to an interference the right to advance, after the interference, a claim which will dominate the issue of the interference. Priority upon the narrower claim does not show priority upon the broader claim as a matter of fact, because the broader claim may be proved by earlier inventive acts which were not relevant to the narrower claim. It follows that a second interference upon a broader claim would not be a relitigation of the same identical demand. But dominating and dominated claims, reading as they do upon the same specific construction in either party's application, and both controlling the manufacture, sale, and use of the same specific construction, may well be considered as the parts of a unitary subject-matter of litigation; and the demand for both sets of claims, as a unitary demand. As one part of this subject-matter has passed into the possession of the successful party to the interference by virtue of the judgment in his favor, the rule against the successive presentation of different parts of a unitary demand applies to estop the losing party from thereafter advancing the other part.

The same or equivalent reasoning supports the practice of Carroll *vs.* Hallwood, 135 O. G., 896, 31 App. D. C., 165, by which the losing party is estopped from advancing any claim which is dominated by the issue if it reads upon the disclosure of the successful party.

The general rule against the splitting of demands applies to successful parties as well as to those who are defeated. A plaintiff though he have a good case may not

unnecessarily harass his opponent by presenting piecemeal demands, as is pointed out in the above quotations from the Cyclopedia of Law and Procedure. How then do we explain our practice of allowing the successful party to an interference to advance claims after the interference which dominate the issue or are dominated thereby? In the ordinary case in court, the defendant is in possession. The successful plaintiff gets what he asks for in the first suit. It is impossible to give him anything else which he may later demand, without taking the same out of the possession of the defendant and this is what the courts are unwilling to do. In the ordinary case in the Patent Office, a claim advanced by one party after the interference has not been made by the other party. It is something which has not been in the possession of either party. In awarding to the successful party in such cases the newly advanced claim which dominates or is dominated by the issue, nothing is taken from the losing party which has been in his possession. There is good reason why the losing party can not have such claims, as we have seen. But there appears to be no reason why the winning party should not have them under the circumstances stated.

It would seem, however, where the losing party had advanced the dominating or dominated claims before the termination of the interference, and particularly where they had been granted to him in a patent, that the situation is entirely analogous to the ordinary case in court where a winning plaintiff is estopped from disturbing the losing party in the possession of anything which is so closely associated with what was asked for in the first suit as to form therewith the subject-matter of a unitary demand. It has been held, however, in the case of Cross *vs.* Rusby, 204 O. G., 321, 42 App. D. C., 341, that the winning party could take the broad claims of his opponent which were not placed in issue, even though his opponent had these claims in a patent at the time of the judgment in the first interference. The law of unitary demand was not discussed in this decision. The fact that in Cross *vs.* Rusby the patent of the losing party was not in the interference, and possibly not known to the winning party before the judgment in the interference, leaves it an open question whether a winning party

may assert after the interference claims dominating the issue, or dominated thereby, which were standing in the losing party's application or patent in interference during the interference.

New claims advanced after the award of priority has become final which do not dominate the issue and are not dominated thereby may be directed entirely to a part of the structure or process disclosed by both parties which is different from that to which the issue was directed; or they may be claims which are broader than the issue in some respects and narrower in others. In either event, it would seem that they would be governed by the same considerations above set forth for claims which dominate the issue and are dominated thereby, *if the subject-matter thereof is essential to the full enjoyment of the invention in issue.*

In other words, all matter common to both parties' inventions which is essential to the full practical enjoyment of the matter in issue naturally forms with the matter in issue a unitary subject of litigation. All possible claims to such matter form with the claims in issue a unitary subject of demand. Each party to the interference stands as a plaintiff demanding the claims in issue. A judgment for one party upon the issue puts the subject-matter of the issue into his possession, and the other party stands as a losing plaintiff who is barred from interfering with the full enjoyment of the subject-matter in issue by the successful party by thereafter advancing any other portion of the same unitary demand. The successful party may advance such claims, however, if these claims were not obtained or advanced by the losing party before the judgment in the interference, and possibly even then, as appears from Cross *vs.* Rusby, *supra*.

Claims which do not interfere with the full practical enjoyment by the winning party of the specific structure or process upon which the issue rests in his application may be advanced by the losing party as well as by the successful party, so far as any principle of *res adjudicata* is concerned, of which I am aware. It seems impossible to regard the subject-matter of such claims and the subject-matter of the issue as the parts of any unitary whole. The only reason for preventing a second interference in

such cases that would not equally apply to bar any second litigation in court of matter which was available for litigation at the time of a first suit or action between two parties, must be found in the fact that the Patent Office can not assess costs, and in the fact that the second interference *may* result in delay in the issue of a patent upon the subject-matter of the first interference; though it could hardly *necessitate* any delay in such cases. It has been suggested that the losing party to the first interference may be regarded as estopped in these cases by the general doctrine of estoppel *in pais* because of the injury to his opponent in the facts just noted. Injury to another arising from the failure of a party to speak when he should speak ordinarily estops such party from speaking later. This suggestion carries conviction in those cases where the unsuccessful party advances, after the interference, claims which were in his opponent's application during the interference. But it is not clear, when neither party had the new claims during the interference, and such claims do not interfere with the full enjoyment of the subject-matter in issue in the first interference, that the hardship upon the successful party incident to a second interference would be due any more to his opponent's inaction than to his own. He had the same opportunity to advance claims to the different subject-matter during the prior contest that his opponent had, and apparently the same duty to do so then if ever, if there is any such duty under such circumstances.

The case of New Departure Co. *vs.* Robinson, 188 O. G., 1055, 39 App. D. C., 504, appears, from the claims quoted in the decision, to be a case in which the claims in the two interferences overlapped so that neither set of claims dominated the other. I have not attempted to determine whether the structure which supported the claims of the second interference, in the application of the successful party to the first interference, was essential to the full practical utilization of the structure which supported the claims of the first interference in his application. This point was not discussed in the decision, but the subject-matter of the two sets of claims was so closely interrelated that this may well have been assumed to be the case. The losing party to the first

interference was held to be estopped from presenting the new claims.

THE EFFECT OF A DIFFERENCE OF FORUM—OR OF A DIFFERENCE IN THE CHARACTER OF THE TWO PROCEEDINGS.

Whether judgments of the courts of foreign countries bar litigation of the same matter in this country appears to be somewhat unsettled. They are sometimes accepted as final determinations and sometimes not; in some cases they are given *prima facie* effect, and in some cases they are taken as persuasive. In Hilton *vs.* Guyat, 159 U. S., 113, it was held that the judgment abroad should be accepted as conclusive on the merits unless some special ground is found for impeaching it. See 23 Cyc., 1602-1611.

A final judgment on the merits by a competent court in one state is conclusive on the merits in the courts of every other state between the same parties. This is required by the "Full Faith and Credit" clause of the Federal constitution (Const. U. S., Art. IV., Par. 1; see also Rev. Stat., Sec. 905.) and is enforced by the Supreme Court of the United States. Harding *vs.* Harding, 198 U. S., 317; Carpenter *vs.* Strange, 141 U. S., 87; 23 Cyc., 1546 (b), 1551 (II), and 1553 (b).

The same rule applies between the courts of the different Federal circuits. In Rubber Co. *vs.* Milwaukee, 154 Fed., 358, it was said by the circuit court of appeals of the seventh circuit, referring to a suit in the sixth circuit on a patent to Grant:

> . . . The defendant in that particular suit has a decree on which, if he were again sued on the Grant patent, he could base a plea of *res adjudicata*. That plea would be as good in other circuits as in the sixth.

In Kessler *vs.* Eldred, 206 U. S., 285, Kessler had prevailed in a prior suit brought by Eldred for the infringement of a patent. Mr. Justice Moody, delivering the opinion of the court, said of the prior judgment:

> This judgment, whether it proceeds upon good reasons or upon bad reasons, whether it was right

> or wrong, settled finally and everywhere and so far as Eldred, by virtue of his ownership of the Chambers patent, was concerned, that Kessler had the right to manufacture, use and sell the electric cigar lighter before the court. The court having before it the respective rights and duties on the matter in question of the parties to the litigation, conclusively decreed the rights of Kessler to manufacture and sell his manufactures free from all interference from Eldred by virtue of the Chambers patent, and the corresponding duty of Eldred to recognize and yield to that right everywhere and always.

The judgments of the Federal courts are binding between the same parties in the State courts. Dowell *vs.* Applegate, 152 U. S., 327. And the judgments of the State courts are binding between the same parties in the Federal courts. Stout *vs.* Lye, 103 U. S., 66; Bruar *vs.* Campbell, 177 U. S., 649; Fayerweather *vs.* Ritch, 195 U. S., 277. These rules also are enforced by the Supreme Court of the United States.

Judgments at law are conclusive in equity proceedings between the parties, and decrees in equity are binding in proceedings at law between them. Hopkins *vs.* Lee, 6 Wheat, 109; Werlein *vs.* New Orleans, 177 U. S., 390; 23 Cyc., 1221 (3).

And, in general, it is immaterial, as between different civil proceedings, that the character of the two proceedings is different. Black's "Judgments," Chapter 18, part 3.

The operation of the doctrine of *res adjudicata* between civil cases and criminal cases is concisely set forth in the Cyclopedia of Law and Procedure, Vol. 23, page 1348, as follows:

> A judgment or sentence in a criminal prosecution is not admissible in evidence in a subsequent civil suit, although the facts in controversy may be the same, or although the rights of the parties may depend upon the same circumstances, except where the mere fact of conviction or acquittal becomes a relevant circumstance in the

> civil suit, and with the further exception that a criminal sentence or acquittal will be admissible in evidence in a subsequent suit, civil in form but penal in character, to enforce a penalty or forfeiture of property against the same defendant, on the same state of facts; and the judgment in the criminal proceedings may be admissible as a species of admission, particularly when entered on a plea of "guilty." Conversely a judgment in a civil action is not ordinarily admissible as evidence in a subsequent criminal prosecution.

Applying these principles to contested cases in the Patent Office, it seems clear that the Commissioner is bound by a decision between the same parties in any State or Federal court. But following the rule which is applied in the State courts, the second proceeding must be instituted and the judgment relied upon must be properly proved in that proceeding. 23 Cyc., 1556 (3). And it would seem that the Commissioner would not be bound where the prior ruling was made in a proceeding in which proof less in character or quantity was required than is required in the proceeding in the Patent Office.

The decision upon priority in an interference will not bar a suit under Section 4915 R. S. to compel the Commissioner to issue a patent to the losing party. And it would appear that nothing determined in the interference would be *res adjudicata* in such a suit. In the decision of the Supreme Court in Morgan *vs.* Daniels, C. D. 1894, page 285, referring to a suit under Section 4915 R. S., the Court said:

> It is a controversy between two individuals over a question of fact which has once been settled by a special tribunal (the Patent Office), intrusted with full powers in the premises. As such it might be argued, were it not for the terms of the statute, that the decision of the Patent Office was a finality upon every matter of fact.

And it was held that the decision in the original in-

terference proceeding, though entitled to very great weight, was not absolutely binding.

The same doctrine seems to have been extended to ordinary suits for infringement under Section 4920 R. S. When the losing party to an interference is sued by the successful party for infringement, the decisions indicate that the defendant is not precluded from raising the same question of priority that was litigated in the interference. Computing Scale Co. *vs.* Standard Scale Co., 195 Fed., 508 (C. C. A. 6); Hillard *vs.* Remington, 186 Fed., 334 (C. C. A. 2); Novelty *vs.* Brookfield, 170 Fed., 946 (C. C. A. 3); Roth *vs.* Harris, 168 Fed., 279 (C. C. A. 2). These decisions are not satisfactory upon this point. The conclusion is reached without discussion, apparently upon the authority of Morgan *vs.* Daniels, *supra*. But Morgan *vs.* Daniels was based upon the fact that the proceeding under Section 4915 is particularly authorized by statute for the purpose of reconsidering the same matter between the same parties and is believed to have no application to the suit under Section 4920. Section 4920 R. S. deals with the rights of defendants generally. It does not purport to accord to parties who have failed in an interference any right of relitigation in contravention of the rule of *res adjudicata*, as does Section 4915. In Davis et al. *vs.* National Co., 164 Fed., 191 (C. C. A.), it was held that the doctrine of *res adjudicata* did not apply in these cases because of the interest of the public, but it would seem that the public would be fully taken care of by the right of any other member thereof than the defeated interferant, when sued, to make any proper defense.

In National Co. *vs.* Wheeler, 79 O. G., 1863 (C. C. A., 2), it was suggested that the doctrine of *res adjudicata* might apply in these cases, and this seems to me to be the correct conclusion. Even if it be held that the suit for infringement and the interference proceeding present different demands and different causes of action, any specific matter offered for determination in the interference and actually determined therein, as a basis for the decision upon priority, would seem clearly to be conclusively and finally determined, by the operation of the general principles of the doctrine of *res adjudicata* herinabove discussed.

The authorities cited hold, and without question rightly hold, that the losing party to the interference is not ordinarily barred, when sued by the successful party for infringement, from setting up non-infringement, anticipation by the prior art other than his own alleged prior invention, or want of invention.

COLLATERAL ATTACKS UPON JUDGMENTS.

The general rule is that a judgment must be attacked directly in the same proceeding in which it was rendered or in some other special proceeding which is recognized as a proper proceeding for that purpose.

> The judgment is not open to contradiction or impeachment, in respect to its validity, verity, or binding effect, by parties or privies, in any collateral action or proceeding. 23 Cyc., 1055.

Exceptions are made, however, where the prior judgment was rendered by a court which did not have jurisdiction of the subject-matter (23 Cyc., 1070, et seq.), or of a party thereto. And exceptions are sometimes made where there was fraud in the very act of obtaining the judgment. But a party can not show in a second interference that a concession upon which the judgment against him in the first interference was based, was obtained by duress. Nelson *vs.* Felsing, 142 O. G., 289, 32 App. D. C., 420.

SUMMARY.

A brief review will serve as a conclusion. To render legal proceedings effective and to prevent them from becoming unduly burdensome, the right to further litigate after a first determination has been restricted in many ways. Certain of the most important rules or principles which are directed to this end constitute what is known as the doctrine of *res adjudicata*.

The distinctive characteristics of this doctrine are that it applies only after a judgment which must have been (1) final; (2) on the merits, actually or constructively, and (3) in a proceeding between the same parties.

The operation of this doctrine is to bar further litiga-

tion (1) of any matter specifically decided by the judgment or as a basis therefor; (2) of the same demand or cause of action, and (3) of any part of the same unitary subject of demand of which the prior demand is also a part.

Collateral characteristics of the doctrine are (1) that it applies between proceedings in different States, in different Federal circuits, and between State and Federal courts, and (2) that it applies in general between different proceedings regardless of a diversity in the character thereof.

An exception to the doctrine is made; and a judgment is open to attack in an independent proceeding, in cases where the judgment is absolutely void because the court did not have jurisdiction of the subject-matter or of a party, and sometimes where there was fraud in the very act of procuring the judgment.

April 22, 1915.